

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1926 – HB 2122

February 27, 2018

SUMMARY OF ORIGINAL BILL: Creates the *New Healthcare Practitioner Act*. Requires the Board of Medical Examiners (BME) to establish a new healthcare practitioner license category. Requires that the new healthcare practitioner license be available by the BME no later than April 1, 2019.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

*Increase State Revenue - \$2,600/FY18-19/Board of Medical Examiners
\$10,300/FY19-20/Board of Medical Examiners
\$11,700/FY20-21/Board of Medical Examiners
\$16,100/FY21-22 and Subsequent Years/
Board of Medical Examiners*

*Increase State Expenditures –
Less than \$69,700/FY18-19/Board of Medical Examiners
Less than \$73,100/FY19-20/Board of Medical Examiners
Less than \$74,600/FY20-21/Board of Medical Examiners
Less than \$79,000/FY21-22 and Subsequent Years/
Board of Medical Examiners*

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The BME had an annual surplus of \$382,952 in FY15-16, an annual deficit of \$4,714 in FY16-17, and a cumulative reserve balance of \$2,855,288 on June 30, 2017.

SUMMARY OF AMENDMENT (013513): Deletes all language after the enacting clause. Creates the *Essential Access Practitioner Act*. Requires the Board of Medical Examiners (BME) to establish an essential access practitioner license category. Requires that the essential access practitioner license be available by the BME no later than July 1, 2019.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue - \$10,300/FY19-20/Board of Medical Examiners
\$10,300/FY20-21/Board of Medical Examiners
\$16,100/FY21-22 and Subsequent Years/
Board of Medical Examiners**

**Increase State Expenditures – \$35,700/FY18-19/Board of Medical Examiners
Less than \$73,100/FY19-20/Board of Medical Examiners
Less than \$73,100/FY20-21/Board of Medical Examiners
Less than \$79,000/FY21-22 and Subsequent Years/
Board of Medical Examiners**

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The BME had an annual surplus of \$382,952 in FY15-16, an annual deficit of \$4,714 in FY16-17, and a cumulative reserve balance of \$2,855,288 on June 30, 2017.

Assumptions for the bill as amended:

- Based on information provided by the Department of Health (DOH), the proposed legislation cannot be accommodated within existing resources. The DOH will require one additional Regulatory Board Administrative Assistant 2 position to administer the clerical needs for the new program under the BME.
- The one-time increase in state expenditures associated with the additional position is estimated to be \$4,300 (\$1,600 computer cost + \$2,700 office furniture).
- The recurring increase in state expenditures associated with the additional position is estimated to be \$62,835 (\$39,180 salary + \$13,755 benefits + \$7,900 administrative cost + \$1,400 communications + \$600 supplies).
- The DOH will need the position to start in January 1, 2019 to help with establishing rules for the program and to prepare for the issuing of the required licenses. The increase in state expenditures in FY18-19 is estimated to be \$35,718 [\$4,300 + (\$62,835 x 50.0%)].
- The new health practitioner license requires the applicant to possess a Doctorate in Medical Science from a program that requires:
 - two years of advanced graduate study beyond the physician assistant master's degree
 - approval by a regional body under the United States Department of Education;
 - the program be taught at a nationally accredited allopathic or osteopathic school and the faculty consists of licensed physicians and other doctorate level educators;
 - that the applicant has maintained a clinical practice for at least three years of full-time equivalent clinical experience in family medicine, internal medicine, or emergency medicine as a licensed physician assistant in this state or in another

jurisdiction that, at a minimum, satisfies the requirements of Tenn. Code Ann. § 63-19-105; and

- the applicant continues clinical practice in primary care as part of a patient care team which includes a sponsoring primary care physician throughout the doctor of medical science training program.
- Currently, the BME assesses a \$410 application fee for licensure as a medical doctor.
- There is currently only one program of this type in the state. The current enrollment is 21 students with a capacity of 25 students. For this analysis, max capacity has been assumed.
- It is estimated the BME would charge a fee comparable to the licensure for a medical doctor of \$410. The recurring increase in state revenue to the BME is estimated to be \$10,250 (25 applicants x \$410) beginning in FY19-20.
- The increase in state expenditures associated with the new licensure category are estimated to be less than \$10,250 in FY19-20 and subsequent years.
- The new healthcare practitioner license will be renewed biennially at an estimated cost of \$235. Renewals will be required starting in July of 2021. The recurring increase in state revenue is estimated to be \$5,875 (25 renewals x \$235) beginning in FY21-22. The increase in state expenditures associated with renewal of the new licensure category are estimated to be less than \$5,875 in FY21-22 and subsequent years.
- The total increase in state revenue in FY19-20 and in FY20-21 is estimated to be \$10,250.
- The total recurring increase in state revenue in FY21-22 and subsequent years is estimated to be \$16,125 (\$10,250 + \$5,875).
- The total increase in state expenditures in FY19-20 and FY20-21 is estimated to be less than \$73,085 (\$62,835 + \$10,250).
- The total recurring increase in state expenditures in FY21-22 and subsequent year is estimated to be less than \$78,960 (\$62,835 + \$10,250 + \$5,875).
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The BME had an annual surplus of \$382,952 in FY15-16, an annual deficit of \$4,714 in FY16-17, and a cumulative reserve balance of \$2,855,288 on June 30, 2017.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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